

RESOLUTION NO. _____

**RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN
EXPENDITURES WITH PROCEEDS FROM DEBT**

WHEREAS, the City of College Station (the "Issuer") desires to make expenditures in connection with the design, planning, acquisition of land, for the purchase of equipment, materials, and services associated with landscaping improvements at the Business Center at College Station (the "Project");

WHEREAS, Article 717k-6, Vernon's Texas Civil Statutes, as amended ("Article 717k-6"), permits the Issuer to use the proceeds of bonds to reimburse the Issuer for costs attributable to the Project paid or incurred before the date of issuance of the bonds; and

WHEREAS, the Issuer finds, considers, and declares that the reimbursement of the Issuer for the payment of such capital expenditures will be appropriate and consistent with the objectives of the Issuer's programs and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.103-18 of the Treasury Regulations, to reimburse itself for such payments as such time as it issues obligations to finance the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
COLLEGE STATION THAT:**

Section 1. This Resolution declares the intention of the Issuer to reimburse the expenditures for the Project with the proceeds of a borrowing. The Issuer presently intends to reimburse the expenditure by incurring debt, the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1986, as amended.

Section 2. The Issuer reasonably expects to incur debt, in one or more series of obligations, with an aggregate maximum principal amount now estimated to be equal to \$2,750,000 for the purpose of paying the costs of the Project. A portion of the proceeds received by the Issuer in an amount estimated not to exceed \$265,000, are reasonably expected to be used to reimburse the Business Park Fund from which such capital expenditures are expected to be made for the Project.

Section 3. The Issuer intends that this Resolution satisfy the official intent requirement set forth in Section 1.103-18 of the Treasury Regulations and evidences its intentions under Article 717k-6. The Issuer has no funds or sources of funds, other than the proceeds of the debt to be incurred, which the Issuer has or reasonably expects to be reserved, allocated on a long-term basis, or otherwise set aside in the Issuer's budget or other financial policies with respect to the expenditures to be reimbursed.

Section 4. All costs to be reimbursed pursuant hereto will be capital expenditures within the meaning of Section 1.103-18(c)(2)(iii) of the Treasury Regulations. None of the expenditures to be reimbursed pursuant to this Resolution have been allocated to expenditures entered on the books and records of the Issuer earlier than the date on which such expenditures are paid. Moreover, no debt obligations will be issued by the Issuer in furtherance of this Resolution after a date which is later than one year after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 5. The Issuer declares that this Resolution will be maintained as a public record available for inspection by all persons in accordance with the provisions of Article 6252-17a,

Vernon's Texas Civil Statutes and that no later than 30 days after this date, this Resolution will be made available for inspection by all members of the general public at the offices of the Issuer.

Section 6. This Resolution shall be liberally construed to evidence the intent of the Issuer to comply with state and federal income tax law in the issuance of tax exempt obligations for the Project.

PASSED AND APPROVED THIS 22th DAY OF March, 2000.

APPROVED:

Lynn McIlhaney, Mayor

ATTEST:

Connie Hooks, City Secretary

APPROVED:



Harvey Cargill, Jr., City Attorney